

The Recruiter's View: The Labor Market Outlook for 2016

The U.S. labor market continues to expand, and in 2015, 230,000 new jobs has been the monthly average through October. Many companies are in growth mode, focusing on key strategic hires to support this expansion. At the same time, a great deal of attention is being placed on engaging and retaining top performers that will ultimately join forces with new hires to build stronger, more dynamic teams. Despite this focus on harnessing quality, skilled talent, companies are finding that recruitment and retention is increasingly problematic, especially in the executive, managerial and professional sector. This is due to the candidate-driven market, an environment in which top candidates have the upper hand because of more available job opportunities and a growing shortages of highly specialized talent. As high performers have multiple job offers to consider and the ability to reject less desirable work opportunities, employers are faced with making fundamental changes to their recruitment and talent management strategies to gain greater access to the brightest talent in 2016 and beyond.

New data from the [most recent MRINetwork Recruiter Sentiment Study](#), a biannual employment landscape survey of MRINetwork recruiters across approximately 600 worldwide offices, indicates that the candidate-driven market, which has experienced a consistent uptick since 2011, is at an all-time high. Remaining unchanged from survey findings in the first half of 2015, 90 percent of respondents feel the executive, managerial and professional sector is candidate-driven.

Additionally, top performers continue to reject job offers. Forty-four percent of participants listed "accepted another offer" as the primary reason for offer rejections, up from 37 percent in the first half of 2015. Low compensation packages and counteroffers were also top reasons for turndowns.



The candidate-driven market and offer rejections are nothing new. However, as companies increasingly concentrate on recruitment of skilled, strategic talent, they face the dilemma of properly vetting candidates, while also creating a streamlined, engaging applicant experience that top candidates have come to expect. Then add to that the need to engage and retain top performers. With more employees looking for new opportunities and companies forced to prioritize their retention efforts, recruitment must now compete with retention, despite the desire to bring on new talent.

There are possible signs of recruitment slowing behind retention, when we look at how long it takes to get an offer. In previous years of the survey, recruiters reported that most offers were being extended between 1-4 weeks of the candidate's first interview. In the most recent survey, recruiters say job offers are now being

presented between 3-6 weeks. Additionally counteroffers are rising, up two percentage points from the first half of 2015. These trends have emerged, in spite of recruiter recommendations since 2011 to expedite the hiring process and provide more competitive compensation packages to avoid losing "A" players.

So what will employers need to do differently in 2016?

Create a more candidate-centric experience that demonstrates interest in the incumbent vs. just trying to see how interested the applicant is in the organization.

"Candidates want quicker and simplified ways to apply for openings and go through the interview process, yet employers and HR departments make the simple process of applying for one of their openings more complicated", said a recruiter responding to the study.

Consider the entire hiring process from the candidate's stand point, from the time they apply for the position to the start of onboarding. What does the process look like when you consider the level of interaction and

communication from your staff? What does it say about the organization, the company culture and the work environment that the future hire can expect? Above all, what lasting impression does the process leave with candidates?

Compensation is important, but advancement opportunities lead. When evaluating a potential job move, top candidates are primarily focused on their future employer's ability to provide opportunities for them to move up within the company, both immediately and in the future. In fact, according to the survey, almost half (45 percent) of recruiters felt advancement opportunities would be the most important consideration for candidates looking to make a job move in 2016. While counteroffers may temporarily help you keep key employees on board, these individuals will eventually leave, if this is the only thing keeping them there.

Engage employees by making career-pathing part of your company culture and value proposition.

Career-pathing takes advancement opportunities to the next level by mapping out a long-term plan for each employee's incremental progression to new roles within the company. Providing fun things like cool technology, flexible scheduling and employee appreciation events are great, but ultimately your top performers will leave if they see there are no real opportunities for upward mobility. Making career-pathing a fundamental part of your talent management strategies and promoting it in the interview process can reduce some of the time and effort spent on retaining key employees, enabling you to spend more time on growing your teams.

Prioritize succession planning now.

You know your baby boomer employees will eventually retire, however their departure appears to be accelerating. According to the survey, vacancies from retirement grew to nine percent, up four percentage points since the first half of 2015, and after remaining relatively static in previous years. It's clear that the more senior members of your staff are beginning to feel more confident about retiring. Now is the time to begin grooming key staff members who can become the company's future leadership.

All signs point to 2016 being a pivotal year for recruitment in the executive, managerial and professional space and potentially the overall labor market. The insight and trends that recruiters have been observing the past few years, in regards to the candidate-driven market, are coming to light across virtually all industries and sectors. If employers truly want to expand their teams, and not feel burdened by retention issues, they will need to create modern, full cycle practices that look at recruitment and talent management strategies as an inter-connected process, rather than two separate efforts.

To view the complete study, visit www.MRINetwork.com/recruitersentiment.